

for the new Bush media machine. This is not emergency spending. This is campaign spending. This is propaganda spending. Instead of trying to win the hearts and minds of Americans through propaganda, President Bush should be trying to win the hearts and minds of the insurgents who are making Iraq less stable. He should show them a United States to which burgeoning democracies like Iraq can aspire, a United States that would be a democratic model for the rest of the world. I daresay an autocratic state-sponsored propaganda campaign is not a part of this model.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. SOLIS) is recognized for 5 minutes.

(Ms. SOLIS addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

TENTATIVE AGREEMENT ON MEDICARE CONFERENCE REPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I rise this evening to express my extreme disappointment regarding the tentative agreement that has been reached by the Republicans in Congress with regard to Medicare and prescription drugs.

Mr. Speaker, the source of my frustration stems from the fact that this agreement is not good public policy. It is not good for seniors or any Medicare consumer and it does nothing to reduce the cost of soaring prescription drugs.

What this bill does, simply stated, is it kills the Medicare program and, in the process, shores up hundreds of billions of dollars of funding for the HMO industry and for the name-brand pharmaceutical industry. If this so-called deal is enacted into law, make no mistake about it, the Medicare program will be privatized. Medicare, as we know it today, will be turned into a voucher system and seniors will be forced into HMO's.

Republicans are trying to fool us into believing that their privatization provisions are merely a demonstration project or a test, but nothing could be further from the truth.

Mr. Speaker, the Republican Medicare provisions are unacceptable because they have nothing to do with prescription drugs. The "demo" goes way beyond the scope of providing seniors with prescription drug coverage, and, in fact, aims to bankrupt seniors, denying them their right to adequate health care under Medicare, and ultimately forcing them into HMOs because they can no longer afford Medicare.

This is exactly where the insurance companies come in to get their big pay-off because greater risk and cost are shifted to senior citizens.

Furthermore, the provisions in the medicare agreement that deal with prescription drug coverage are completely inadequate in terms of benefit structure. We are talking about a \$275 deductible, a \$35 monthly premium, 75-25 coverage, in other words, 75 percent paid by the Federal Government, 25 percent by the senior to the first \$2,200 and no assistance until \$3,600, at which point, the catastrophic is reached. So there is a huge doughnut hole; basically, between \$2,200 and \$3,600, in assistance, seniors get nothing. This means that seniors will have to pay nearly \$2,600 before the government pays for all drug costs.

Twenty million seniors or half of all seniors will be paying premiums year-round but would have no coverage for part of the year due to this large gap or doughnut hole in the coverage.

Now, the combination of this insufficient benefit combined with watered-down generic provisions, watered-down reimportation provisions, and the prohibition of the Medicare Administrator to negotiate lower drug prices brings me to my point that this Medicare final agreement is a giveaway to the name-brand pharmaceutical industry.

Mr. Speaker, there are so many fundamental problems with this upcoming Medicare agreement beyond what I have discussed tonight. There is no Medicare fallback in this bill that is favorable to seniors. We expect 2 to 3 million retirees to have their coverage dropped. Ten million, or one out of four, seniors will be forced to pay more for Medicare or to join an HMO. Low-income seniors are not financially protected and will be subject to an assets test for the first time in Medicare history. And the Medicare Part B will rise for the first time in 12 years. Means testing will be implemented in the Medicare program for the first time in its history, and tax sheltered accounts for the wealthy are going to be part of this bill, even though it is not really a Medicare bill.

Mr. Speaker, the list of problems in this so-called Medicare agreement is overwhelming, and I really do not know how the Republicans or groups like the AARP or the President and others who have endorsed this agreement can live with their deceit and ill will against America's seniors.

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UNDERMINING THE WHOLE CONCEPT OF MEDICARE

The SPEAKER pro tempore (Mr. TANCREDI). Under a previous order of the House, the gentleman from Washington (Mr. McDERMOTT) is recognized for 5 minutes.

Mr. McDERMOTT. Mr. Speaker, I want to associate myself with the remarks of the gentleman from New Jersey (Mr. PALLONE). This week is one of the most important weeks that I have seen in the 16 years I have been in the Congress because we are dealing with

an issue that is about the question of what is in the common good.

We have no problem in this country believing that fire departments and police departments and road systems and schools are issues of the common good. We all pay our taxes. We all get benefits from them, and we have since 1964 had a program in this country called Medicare which was a program in which everybody put their money and people over the age of 65 took out their money to pay for health care benefits when they needed them. Everybody got the same thing everywhere in the whole country.

But there have been people in this Congress who have always thought that the idea of doing something collectively was somehow, I do not know, socialism or something bad. I do not know. They believe that everybody should be individually responsible for themselves, that they should be on their own and that they should deal with these things in a market, like they were buying cars or buying refrigerators or television sets.

So we have a bill before us that is going to undo what we have had in this country for senior citizens for the last 38 years. They have been waiting. They have been trying to do this for 4 or 5 years.

I was on the Medicare commission. One of the Members of the other body and the gentleman from Michigan (Mr. DINGELL) of this body and I represented the Democrats on that commission, and we managed to hold off the disaster which is being foisted on the senior citizens and the country itself in the next week.

This attitude about the common good really began to be undermined under Mr. Reagan. It was his campaign slogan in 1980: Are you better off than you were 4 years ago? Not are "we" better off than we were 4 years ago, but are "you."

This bill is going to say we are going to guarantee a premium support to every senior citizen in this country; we are going to write them a check, \$5,900, \$6,000, \$6,300, whatever; and we are going to say now you, grandma, take that check out and find yourself an insurance company that will take care of what your needs are. You can stay in the program of Medicare as we know it, but since the healthy and the least sick will go out and find these good deals somewhere, who will be left in the regular program? The old and the sick.

The price per person is going to go up, so they are going to raise the premium on anybody who stays in the regular program. Is that thinking about the common good, that we are going to pick on the ones who are the old and the sick, and we are going to let the young and the healthy seniors go off and make a good deal somewhere? No, it is not. It is wrong, it is un-American, and it is undermining the whole concept of Medicare.

The idea that all seniors put their money into the pot, nobody sits around

in this country and says, gee, I hope I get sick so I can use some money out of the pot. There is nobody that crazy in our country. Everybody wants insurance there when they are sick and particularly they want to feel independent, they have taken care of it themselves. It is not their children that have to do it or their grandchildren.

My father died a couple of years ago at 93. My mother is 93, and we four kids in my family have not had to spend anything on our mother's health or our father's health. Like every American, we pay our taxes into the pot, and they have taken out when they needed to; and that has gone on over the entire country.

What they are saying in this bill is send your mother out and let her pick her own plan. That is wrong; and as we watch this debate, understand that is what they are saying to every senior citizen. Here is your money; good luck, Grandma; I hope you find something for yourself.

I hope every Member votes "no" on this. We could do better than this.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STRICKLAND) is recognized for 5 minutes.

(Mr. STRICKLAND addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

PRESCRIPTION DRUG PRICES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from Texas (Mr. NEUGEBAUER) is recognized for 60 minutes as the designee of the majority leader.

Mr. NEUGEBAUER. Mr. Speaker, I yield to the gentleman from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I want to thank the gentleman from Texas (Mr. NEUGEBAUER) for yielding to me, and I want to thank him for claiming the time.

I rise tonight to talk about an issue where we have had a lot of discussion so far tonight. We have had a lot of discussion during this entire legislative session. In fact, we have had a lot of discussion for a number of years, and that is the issue of the price that Americans pay for prescription drugs relative to the rest of the industrialized world; and the gentleman from Texas (Mr. NEUGEBAUER) was good enough to join us in what really is an overwhelming majority of Members of the House who voted on this issue earlier this year.

It all started several years ago for me when I went to a town hall meeting in Faribault, Minnesota, and there were a lot of seniors there; and they were talking about their trips up to Canada to save some money on prescription drugs. It was a little like a Nolan Ryan fastball. It just blew right by me, and

I guess I decided if they wanted to go to Canada to buy their drugs, that is fine by me; and I never thought much about the issue.

They continued to pester me about this, saying things like, why is it we as seniors are treated like common criminal, just because we are trying to save a few bucks on prescription drugs; and still I did not pay much attention to the issue until something totally unrelated happened.

The price of pigs collapsed. Live hogs dropped from about \$37 per hundred weight down to about \$7, and we produce a lot of hogs in my part of the world. My pork producers kept calling me saying, Congressman, can you not do something about this; and so I called the Secretary of Commerce, and I called the Secretary of Agriculture. I got essentially the same answer. I should finish the story. What they really complained about was all of these Canadian hogs coming across our borders making our supply-and-demand situation even worse, and they said can you not do something at least about all these Canadian hogs.

I called the Secretary of Agriculture, called the Secretary of Commerce, got essentially the same answer. They said, well, that is NAFTA. That is free trade. We cannot stop the Canadian hogs from coming in, and all of a sudden a lightbulb went on over my head, and I said, wait a minute, you mean we have free markets and free trades when it comes to pork bellies, but not when it comes to Prilosec? I think the Secretary of Commerce sort of chuckled and said, well, I guess that is right.

That is when I began this little crusade of mine, and I began to study this issue even more, and Mr. Speaker, the more I have learned, the more I realized we in Congress need to do something about this because we created this environment. Unlike some of my friends on the left, I usually do not spend a whole lot of time saying shame on the pharmaceutical companies. I say shame on us because essentially we have created an environment that they are taking advantage of. We protect them like no other product from foreign competition, but let me talk first about the differences between what we pay in the United States versus what they pay in the rest of the industrialized world.

Let me give my colleagues some examples. We were in Munich, Germany, earlier this year; and we purchased 10 of the most commonly prescribed prescription drugs off the shelf at the Munich airport pharmacy, and here are some of the prices we paid.

We bought 10 tablets of Cipro, 250 milligrams for \$35.12 American. That same product here in Washington, D.C., is \$55. We bought Coumadin. That is a drug my father takes. It is a blood thinner that was developed at the University of Wisconsin. The generic version is called Warfarin. It actually is a rat poison. We bought it in Germany, 100 tablets, 5 milligrams for \$21.

That same package of drugs here in the United States, same product, made by the same company, under the same FDA approval, sells here in the United States not for \$21 but for \$89.95.

Glucophage, a miracle drug for diabetes, a drug that we purchased in Germany, 30 tablets, 850 milligrams, \$5 in Germany, \$29.95.

Pravachol, Prozac, Synthroid, all the same story. Come down here to this one, and this is the one that really gets to my gizzard, and that is the issue of the anticancer drugs, where we, American taxpayers, have paid so much to develop these drugs. Tamoxifen, we bought, in fact the actual number, we rounded it off here. It was \$59.05 for 60 tablets, 20 milligrams of Tamoxifen. An amazing drug, a miracle drug in terms of the treatment of breast cancer. That same drug we checked here in Washington, D.C., local pharmacy, \$360, six times more in the United States. Here is what really chaps my hide.

American taxpayers paid to develop that drug. As a matter of fact, through the NIH we paid to take that drug all the way through phase two trials. The American taxpayer paid to take that drug through phase two trials, and then we licensed it to one of the pharmaceutical companies, and they sell it back to us.

Clearly, we ought to pay our fair share of the cost of research. I think we ought to subsidize the people in sub-Saharan Africa, but I do not think the American taxpayers and the American consumers should have to subsidize the starving Swiss or the starving Germans. It really is time for them to pay their fair share.

Mr. Speaker, we have to ask is it really fair to make American consumers pay six times more for a drug that they paid to develop and take through phase two trials? This story goes on.

If we look down here at Zolof, \$82.52 in Germany, \$132.95 for American consumers and the story goes on; and some people say, well, that is because in some countries they fix the prices. They have price controls. In some respects that is true, but it is not always true.

For example, in Great Britain, the pharmaceutical companies can sell their drugs for whatever they want. There are no price controls in Great Britain. That is according to a report that was done and paid for by the Pharmaceutical Association in Europe, done, we have a copy of it in my office; and if any Member would like a copy, they can just call and we will send them a copy. Essentially what they do in Great Britain is they can charge whatever they want, but the British medical plan will only reimburse so much for these drugs, and they found that consumers in Great Britain have a tremendous amount of resistance to paying huge co-pays.

I have a drug here, Cipro, a marvelous drug. We bought this in Germany, \$35 in Germany, \$55 here in the